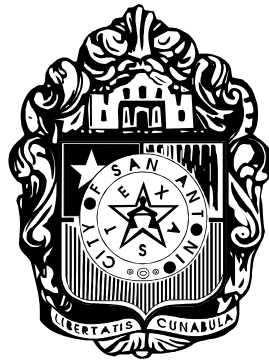


CITY OF SAN ANTONIO, TEXAS
Neighborhood Action Department



Plaza Fortuna - TIF Reinvestment Zone Twelve
FY 2005 Annual Report

**Participation Levels of City (100%), Bexar County (100%
of Operation and Maintenance portion of tax rate), and
ACCD (50%)**

December 31, 2005

Plaza Fortuna Subdivision Tax Increment Reinvestment Zone – Plan of Finance

Introduction

The Plaza Fortuna subdivision is located in the west section of the City of San Antonio, on the northwest corner of Fortuna and Hortencia. The development is in the Edgewood Independent School District and encompasses approximately 9.82 acres. The 2001 base value is \$76,700 and the projected captured tax incremental value is \$5,054,230 net of exemptions. The project includes 76 single-family homes with sales prices ranging between \$69,000 to \$85,600. The total public infrastructure capital cost is estimated at \$421,187. The Developer is HLH Development LP who has experience in the development and construction of such projects. Performance and payment bonds will be provided in connection with public infrastructure improvements associated with the project. The life of the Tax Increment Reinvestment Zone (TIRZ) is projected to be 23.81 years with the TIRZ being in existence through fiscal year 2025.

Public Infrastructure

The public infrastructure improvements and related capital costs include site work, streets, drainage, utilities, drainage impact, water/sewage impact and platting/zoning fees, engineering expenses, sidewalks, construction management, City Public Service Board (CPSB) electric, right of way landscaping and legal and formation fees. The capital cost is estimated at \$421,187.

Plan of Finance

The 2001 base value of the TIRZ is \$76,700. Projected captured values that would be taxed to produce revenues to pay for the capital costs of the public infrastructure improvements commences in tax year 2001 with collections commencing in tax year 2003 (fiscal year 2004). Captured values grow from \$922,400 in tax year 2002 to \$5,054,230 net of exemptions in tax year 2024.

The taxing jurisdictions and tax rate per \$100 valuation utilized in the analysis include: City of San Antonio at \$0.578540; Bexar County at \$0.287407 and the Alamo Community College District at \$0.053525. This produces annual revenues of \$35,068 in fiscal year 2004, \$42,107 in fiscal year 2005, \$43,021 in fiscal year 2006, \$44,311 in fiscal year 2007 through 2016 and \$42,673 in fiscal years 2017 through 2025. No growth in tax rate or values is assumed.

The cost of the public infrastructure improvements is incurred by the Developer and paid over time from revenues produced by the TIRZ. In addition to the capital costs, other costs to be paid from TIRZ revenues include the City of San Antonio and/or Administrator fees. Revenues derived from the TIRZ will be used to pay costs in the

following order of priority of payment: (i.) to the payment of eligible costs incurred by the Participating Governmental Entities in the TIRZ; (ii.) to all other ongoing administrative fees pertaining to the City; and (iii.) to the Developer, on an annual basis, as TIRZ revenues are available for such payments.

The Developer's capital cost incurred for public infrastructure improvements is \$421,187. Revenues from the TIRZ are used to pay this amount plus financing costs if any on the unpaid balance at a rate of 4.54%. Developer payments are scheduled to begin in fiscal year 2006; inclusive are all collections since 2004. The earliest projected payoff of the capital cost would occur in fiscal year 2025 and includes an estimated Developer contribution of \$71,012. The TIRZ collections for this project shall not extend beyond September 30, 2025 and may be terminated earlier once each taxing entity has deposited its respective amount described in the table below.

TABLE – TIRZ Contributions		
Participating Taxing Entities	*Maximum Dollar Contribution	Max. Length of Contribution
City of San Antonio	\$ 653,132.42	September 30, 2025
Bexar County	\$ 317,748.46	September 30, 2025
Alamo Comm. College District	\$ 37,591.10	September 30, 2016
Maximum Reimbursable Amt.	\$ 1,008,471.98	

* Maximum Dollar Contributions are base on Original Finance Plan dated July 26, 2005.

Limited Obligation of the City or Participating Governmental Entities

The City and Participating Governmental Entities shall have a limited obligation to impose, collect taxes, and deposit such tax receipts into a TIRZ fund so long as the project is viable and capital costs incurred by the Developer have not been fully paid. The TIRZ collections for this project shall not extend beyond September 30, 2025, and may be terminated prior to September 30, 2025, upon payment of public improvements capital costs incurred by the Developer totaling \$421,187 or for the failure of the Developer to perform. The City may elect to terminate a TIRZ if 50% of the housing and/or commercial construction projected for years 1, 2, and 3 from date the TIRZ is created is not complete. Only housing and/or commercial components count towards completion of the construction schedule, infrastructure construction does not. Furthermore, any default of the terms contained in the Interlocal and/or Development Agreements that is not cured within the timeframe contained in the Interlocal and/or Development Agreements may also result in zone termination.

Any costs incurred by the Developer are not and shall never in any event become general obligations or debt of the City or any of the Participating Governmental Entities. The public improvement infrastructure costs incurred by the Developer shall be paid solely from the TIRZ revenues and shall never constitute a debt, indebtedness or a pledge of the faith and credit or taxing power of the State, the City, the Participating Governmental Entities, any political corporation, subdivision, or agency of the State.

Developer's Risk

All financing, developmental costs, construction costs, improvements, damages, or other costs incurred with respect to this project are at the sole risk of the Developer. Neither the City nor any Participating Governmental Entity shall incur any risk whatsoever associated with the development, construction, completion or failure of the project. In the event that the project fails, is abandoned by the Developer or for any reason is not completed, the City shall have the right to terminate the TIRZ and any funds remaining in the TIRZ account shall be distributed to the City and Participating Governmental Entities on a pro rata basis in accordance with each entity's participation level.

Compliance

The Developer shall comply with all federal, state and local laws, rules and regulations including the 2000 TIF Guidelines.

Reporting

The Developer shall submit a project status report and financial report on a quarterly basis (January 15th, April 15th, July 15th and October 15th) to the City.

Inspection

The City, Participating Governmental Entities, or Administrator shall have the right to inspect the project site or sites and the premises of the Developer without notice.

City of San Antonio
Plaza Fortuna - TIF Reinvestment Zone
Summary Fact Sheet
July 26, 2005

Agenda: Final Finance Plan

Plan of Finance:	Site Area	9.82	Acres
	Single Family Development	9.82	Acres
	Base Value (2001) In City	\$ 76,700	
	Average Initial Single Family Home Price	\$69,000-\$85,600	Per home

Project Year:			
Single Family Development	2001	25	Single Family Homes
	2002	51	Single Family Homes
Total		<u>76</u>	

Experience of Housing Developer
HLH Development LP,
San Antonio, Texas

HLH Development LP was formed over 6 years ago.
Harry Hausman is the principal operations officer of the partnership.
SEDA Consulting Engineers, Inc. are the architect/engineers.
HLH Development LP and SEDA Consulting Engineers, Inc. have completed the following projects:

- La Coste Heights, 57 homes, La Coste, TX
- Legend Oaks, 80 homes, San Antonio, TX
- Hunters Oaks, 15 homes, San Antonio, TX

Multi Family Housing Development Team: N/A

Performance Bonds: See Development Agreement

Payment Bonds: See Development Agreement

Assumptions	Captured Value	\$ 5,054,230	
	Assessed Value Growth Factor	0.00%	
	Collection Rate	97.50%	
	Estimated Total TIF Revenues	\$ 947,363	
	Estimated TIF Life (12/13/2001 to 9/30/2025)	23.81	Years

Plaza Fortuna - Tax Increment Reinvestment Zone

<u>Sources and Uses</u>			
Sources of Funds			
TIF Revenues at	\$	947,363	
Developer Contribution	\$	71,012	
Total Sources of Funds	<u>\$</u>	<u>1,018,375</u>	
Uses of Funds			
	Phase I	Phase II	Total
	2001	2002	Infrastructure
			Improvements
Begin Construction			
Single Family	25	51	76
Public Improvements			
Hard Cost			
Site Work	\$ 721	\$ 600	\$ 1,321
Streets & Approaches	\$ 10,014	\$ 125,036	\$ 135,050
Drainage	\$ 3,169	\$ 8,609	\$ 11,778
Sewer	\$ 18,893	\$ 32,611	\$ 51,504
Water	\$ 10,156	\$ 36,276	\$ 46,432
Sidewalks	\$ -	\$ 32,040	\$ 32,040
Street Lights	\$ -	\$ 6,198	\$ 6,198
ROW Landscaping	\$ -	\$ -	\$ -
Park Improvements	\$ -	\$ -	\$ -
Sewer Impact Fees	\$ 10,675	\$ -	\$ 10,675
Water Impact Fees	\$ 9,000	\$ -	\$ 9,000
Platting/Zoning Fees	\$ 3,651	\$ 5,117	\$ 8,768
*CPSB (Electricity)	\$ 7,896	\$ -	\$ 7,896
Mail Boxes	\$ 2,133	\$ 2,555	\$ 4,688
Hard Cost Total	<u>\$ 76,308</u>	<u>\$ 249,042</u>	<u>\$ 325,350</u>
Soft Cost			
Engineering-Surveying	\$ 9,920	\$ 32,375	\$ 42,295
Contingency	\$ 6,105	\$ 19,923	\$ 26,028
Construction Management	\$ 3,052	\$ 9,962	\$ 13,014
Soft Cost Total	<u>\$ 19,077</u>	<u>\$ 62,260</u>	<u>\$ 81,337</u>
Total Public Improvements	<u>\$ 95,385</u>	<u>\$ 311,302</u>	<u>\$ 406,687</u>
Legal and Formation Fees	\$ 14,500	\$ -	\$ 14,500
Grand Total	<u>\$ 109,885</u>	<u>\$ 311,302</u>	<u>\$ 421,187</u>
Total Infrastructure	\$ 421,187		
Financing Cost @ 4.54%	\$ 291,188		
Total Payments to Plaza Fortuna	\$ 712,375		
Total Admin. Expenses	\$ 306,000		
Grand Total	<u>\$ 1,018,375</u>		
Project Financing Surplus (Shortage)	\$ -		

* City Public Service Board (CPSB)

Plaza Fortuna - TIF Reinvestment Zone

Projected Tax Increment Revenue

Tax Year	Tax Increment Zone				City of San Antonio			Bexar County			Alamo Community College District**			Combined TIF Collections	Fiscal Year Ending
	Beginning Assessed Value	Annual Value of New Development	Projected Year-End Assessed Value	Projected Captured Value	Captured Taxable Value	Tax Rate Contribution	Tax Increments	Captured Taxable Value	Tax Rate Contribution*	Tax Increments	Captured Taxable Value	Tax Rate Contribution	Tax Increments		
2001	76,700	-	76,700	-	-	0.578540	-	-	0.320756	-	-	0.104600	-	-	2002
2002	76,700	922,400	999,100	922,400	922,400	0.578540	-	922,400	0.320952	-	922,400	0.107050	-	-	2003
2003	999,100	3,017,300	4,016,400	3,939,700	3,874,700	0.578540	21,856	3,889,700	0.320952	12,172	3,909,700	0.053525	1,040	35,068	2004
2004	4,016,400	1,016,400	5,032,800	4,956,100	4,826,100	0.578540	27,223	4,856,100	0.281519	13,329	4,896,100	0.053525	1,555	42,107	2005
2005	5,032,800	98,130	5,130,930	5,054,230	4,891,282	0.578540	27,591	4,936,282	0.287407	13,833	4,976,282	0.053525	1,597	43,021	2006
2006	5,130,930	-	5,130,930	5,054,230	5,054,230	0.578540	28,510	5,054,230	0.287407	14,163	5,054,230	0.053525	1,638	44,311	2007
2007	5,130,930	-	5,130,930	5,054,230	5,054,230	0.578540	28,510	5,054,230	0.287407	14,163	5,054,230	0.053525	1,638	44,311	2008
2008	5,130,930	-	5,130,930	5,054,230	5,054,230	0.578540	28,510	5,054,230	0.287407	14,163	5,054,230	0.053525	1,638	44,311	2009
2009	5,130,930	-	5,130,930	5,054,230	5,054,230	0.578540	28,510	5,054,230	0.287407	14,163	5,054,230	0.053525	1,638	44,311	2010
2010	5,130,930	-	5,130,930	5,054,230	5,054,230	0.578540	28,510	5,054,230	0.287407	14,163	5,054,230	0.053525	1,638	44,311	2011
2011	5,130,930	-	5,130,930	5,054,230	5,054,230	0.578540	28,510	5,054,230	0.287407	14,163	5,054,230	0.053525	1,638	44,311	2012
2012	5,130,930	-	5,130,930	5,054,230	5,054,230	0.578540	28,510	5,054,230	0.287407	14,163	5,054,230	0.053525	1,638	44,311	2013
2013	5,130,930	-	5,130,930	5,054,230	5,054,230	0.578540	28,510	5,054,230	0.287407	14,163	5,054,230	0.053525	1,638	44,311	2014
2014	5,130,930	-	5,130,930	5,054,230	5,054,230	0.578540	28,510	5,054,230	0.287407	14,163	5,054,230	0.053525	1,638	44,311	2015
2015	5,130,930	-	5,130,930	5,054,230	5,054,230	0.578540	28,510	5,054,230	0.287407	14,163	5,054,230	0.053525	1,638	44,311	2016
2016	5,130,930	-	5,130,930	5,054,230	5,054,230	0.578540	28,510	5,054,230	0.287407	14,163		0.053525	-	42,673	2017
2017	5,130,930	-	5,130,930	5,054,230	5,054,230	0.578540	28,510	5,054,230	0.287407	14,163		0.053525	-	42,673	2018
2018	5,130,930	-	5,130,930	5,054,230	5,054,230	0.578540	28,510	5,054,230	0.287407	14,163		0.053525	-	42,673	2019
2019	5,130,930	-	5,130,930	5,054,230	5,054,230	0.578540	28,510	5,054,230	0.287407	14,163		0.053525	-	42,673	2020
2020	5,130,930	-	5,130,930	5,054,230	5,054,230	0.578540	28,510	5,054,230	0.287407	14,163		0.053525	-	42,673	2021
2021	5,130,930	-	5,130,930	5,054,230	5,054,230	0.578540	28,510	5,054,230	0.287407	14,163		0.053525	-	42,673	2022
2022	5,130,930	-	5,130,930	5,054,230	5,054,230	0.578540	28,510	5,054,230	0.287407	14,163		0.053525	-	42,673	2023
2023	5,130,930	-	5,130,930	5,054,230	5,054,230	0.578540	28,510	5,054,230	0.287407	14,163		0.053525	-	42,673	2024
2024	5,130,930	-	5,130,930	5,054,230	5,054,230	0.578540	28,510	5,054,230	0.287407	14,163		0.053525	-	42,673	2025
\$ 5,054,230					\$ 618,360			\$ 308,431			\$ 20,572			<u>\$ 947,363</u>	
Existing Annual Value Growth Factors															
Years 2001-2002				0.00%	Participation Level		100%	Participation Level*		100%	Participation Level		50%		
Thereafter				0.00%	Tax Rate Growth Factor		0.00%	Tax Rate Growth Factor		0.00%	Tax Rate Growth Factor		0.00%		
Combined Compound Growth Rate				0.00%	Tax Rate Collection Factor		97.50%	Tax Rate Collection Factor		97.50%	Tax Rate Collection Factor		97.50%		

*Bexar County is participating at 100% of their Operation and Maintenance tax rate not the total tax rate.

** ACCD's tax increment reflects contribution after withholding of \$1,000 per year for Administrative Expenses.

Note:

1. This project has no executed Development Agreements therefore there has been no tax increments collected.
2. Captured Taxable Value for each Participating Taxing Entities differ due to the exemption by each Taxing Entities.
3. Revenue projections are subject to fluctuate annually with future tax rates.

Plaza Fortuna - TIF Reinvestment Zone
Reimbursement for Public Improvements

	Fiscal Year Ending	TIF Revenue	Cumulative TIF Revenues	Expenses for Pub. Imp. Infrastructure	Admin. Exp.*	Interest on Deficit	TIF Fund Balance
1-Sep-02	2002	-	-	15,836	30,000	-	(45,836)
1-Sep-03	2003	-	-	15,836	12,000	(2,081)	(75,752)
1-Sep-04	2004	35,068	35,068	15,836	12,000	(3,439)	(71,959)
1-Sep-05	2005	42,107	77,175	15,836	12,000	(3,267)	(60,954)
1-Sep-06	2006	43,021	120,196	15,836	12,000	(2,767)	(48,536)
1-Sep-07	2007	44,311	164,507	20,836	12,000	(2,204)	(39,264)
1-Sep-08	2008	44,311	208,818	18,809	12,000	(1,783)	(27,544)
1-Sep-09	2009	44,311	253,129	32,463	12,000	(1,251)	(28,947)
1-Sep-10	2010	44,311	297,440	32,691	12,000	(1,314)	(30,641)
1-Sep-11	2011	44,311	341,751	32,874	12,000	(1,391)	(32,596)
1-Sep-12	2012	44,311	386,062	33,012	12,000	(1,480)	(34,776)
1-Sep-13	2013	44,311	430,373	33,104	12,000	(1,579)	(37,148)
1-Sep-14	2014	44,311	474,684	32,150	12,000	(1,687)	(38,674)
1-Sep-15	2015	44,311	518,995	31,197	12,000	(1,756)	(39,315)
1-Sep-16	2016	44,311	563,306	30,243	12,000	(1,785)	(39,032)
1-Sep-17	2017	42,673	605,979	27,290	12,000	(1,772)	(37,422)
1-Sep-18	2018	42,673	648,652	26,427	12,000	(1,699)	(34,875)
1-Sep-19	2019	42,673	691,325	27,565	12,000	(1,583)	(33,350)
1-Sep-20	2020	42,673	733,998	26,611	12,000	(1,514)	(30,803)
1-Sep-21	2021	42,673	776,671	25,658	12,000	(1,398)	(27,186)
1-Sep-22	2022	42,673	819,344	24,705	12,000	(1,234)	(22,452)
1-Sep-23	2023	42,673	862,017	23,751	12,000	(1,019)	(16,550)
1-Sep-24	2024	42,673	904,690	22,798	12,000	(751)	(9,426)
1-Sep-25	2025	42,673	947,363	19,444	12,000	(428)	1,375
		<u>\$ 947,363</u>		<u>\$ 600,806</u>	<u>\$ 306,000</u>	<u>\$ (39,182)</u>	

* Annual Administrative Expenses from FY 2003 - FY 2025 includes a \$2,000 annual administrative expense for Bexar County

**Plaza Fortuna - TIF Reinvestment Zone Combined
Participation**

Entity	Tax Rate	Level of Participation	Tax Rate Based on Participation	% of Combined Weight	TIF Revenues*	TIF Expenses**
San Antonio	0.5785400	100%	0.5785400	64.76%	\$ 618,360	\$ 659,546
Bexar County	0.2874070	100%	0.2874070	31.51%	\$ 308,431	\$ 320,869
Alamo Commur	0.1070500	50%	0.0535250	3.73%	\$ 20,572	\$ 37,960
Total	0.9729970		0.9194720	100.00%	\$ 947,363	\$ 1,018,375

* TIF Revenues are the projected revenue amount collected by each taxing entity through the term of the zone.

** TIF Expenses are allocated by the share of the TIRZ project cost projected for each taxing entity based on participation levels.

Plaza Fortuna - TIF Reinvestment Zone
Projected New Value of Tax Increment

Tax Year	Phase I 2002	Phase II 2003	2004	2005	Total	Cumulative Total
2000					\$ -	\$ -
2001					\$ -	\$ -
2002	\$ 922,400				\$ 922,400	\$ 922,400
2003		\$ 3,017,300			\$ 3,017,300	\$ 3,939,700
2004			\$ 1,016,400		\$ 1,016,400	\$ 4,956,100
2005				\$ 98,130	\$ 98,130	\$ 5,054,230
2006					\$ -	\$ 5,054,230
2007					\$ -	\$ 5,054,230
2008					\$ -	\$ 5,054,230
2009					\$ -	\$ 5,054,230
2010					\$ -	\$ 5,054,230
2011					\$ -	\$ 5,054,230
2012					\$ -	\$ 5,054,230
<hr/>						
	\$ 922,400	\$ 3,017,300	\$ 1,016,400	\$ 98,130	\$ 5,054,230	
<hr/>						

\$ - Commercial New Value
\$5,054,230 Residential New Value
\$ - Multi Family New Value

\$5,054,230 Total New Value

Plaza Fortuna - TIF Reinvestment Zone
Projected Uses of Tax Increment
Construction Completed Cost

Year	Phase I 2001	Phase II 2002	2003	2004	Total
2000	\$ 109,885				\$ 109,885
2001		\$ 311,302			\$ 311,302
2002					\$ -
2003					\$ -
2004					\$ -
2005					\$ -
2006					\$ -
2007					\$ -
2008					\$ -
2009					\$ -
2010					\$ -
2011					\$ -
2012					\$ -
	<u>\$ 109,885</u>	<u>\$ 311,302</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 421,187</u>

Plaza Fortuna - TIF Reinvestment Zone

Projected Tax Increment Revenue

July 26, 2005

Principal and Interest Requirements

Date	Principal	Interest Rate	Interest	Semi-annual Debt Service	Annual Debt Service
03/01/01	-		-	-	
09/01/01	-	4.54%	-	-	-
03/01/02	-		7,918	7,918	
09/01/02	-	4.54%	7,918	7,918	15,836
03/01/03	-		7,918	7,918	
09/01/03	-	4.54%	7,918	7,918	15,836
03/01/04	-		7,918	7,918	
09/01/04	-	4.54%	7,918	7,918	15,836
03/01/05	-		7,918	7,918	
09/01/05	-	4.54%	7,918	7,918	15,836
03/01/06	-		7,918	7,918	
09/01/06	-	4.54%	7,918	7,918	15,836
03/01/07	-		7,918	7,918	
09/01/07	5,000	4.54%	7,918	12,918	20,836
03/01/08	-		7,804	7,804	
09/01/08	3,200	4.54%	7,804	11,004	18,809
03/01/09	-		7,732	7,732	
09/01/09	17,000	4.54%	7,732	24,732	32,463
03/01/10	-		7,346	7,346	
09/01/10	18,000	4.54%	7,346	25,346	32,691
03/01/11	-		6,937	6,937	
09/01/11	19,000	4.54%	6,937	25,937	32,874
03/01/12	-		6,506	6,506	
09/01/12	20,000	4.54%	6,506	26,506	33,012
03/01/13	-		6,052	6,052	
09/01/13	21,000	4.54%	6,052	27,052	33,104
03/01/14	-		5,575	5,575	
09/01/14	21,000	4.54%	5,575	26,575	32,150
03/01/15	-		5,098	5,098	
09/01/15	21,000	4.54%	5,098	26,098	31,197
03/01/16	-		4,622	4,622	
09/01/16	21,000	4.54%	4,622	25,622	30,243
03/01/17	-		4,145	4,145	
09/01/17	19,000	4.54%	4,145	23,145	27,290
03/01/18	-		3,714	3,714	
09/01/18	19,000	4.54%	3,714	22,714	26,427
03/01/19	-		3,282	3,282	
09/01/19	21,000	4.54%	3,282	24,282	27,565
03/01/20	-		2,806	2,806	
09/01/20	21,000	4.54%	2,806	23,806	26,611
03/01/21	-		2,329	2,329	
09/01/21	21,000	4.54%	2,329	23,329	25,658
03/01/22	-		1,852	1,852	
09/01/22	21,000	4.54%	1,852	22,852	24,705
03/01/23	-		1,376	1,376	
09/01/23	21,000	4.54%	1,376	22,376	23,751
03/01/24	-		899	899	
09/01/24	21,000	4.54%	899	21,899	22,798
03/01/25	-		422	422	
09/01/25	18,600	4.54%	422	19,022	19,444
<u>\$</u>	<u>348,800</u>		<u>\$ 252,006</u>	<u>\$ 600,806</u>	<u>\$ 600,806</u>